

# ENVIRONMENT/NATURAL RESOURCES

- <Great Lakes Grants
- <Lands Legacy Initiative
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- <Clean Water Act Initiative

## GREAT LAKES GRANTS

### Background

The President's budget includes a new \$50-million Federal Great Lakes grant program, available to States and localities for the restoration of lakes, rivers, wetlands, and the acquisition of greenways, buffers, and the like. The program will be administered by the Environmental Protection Agency [EPA].

### Key Points

- < EPA already provides more than \$1.5 billion to States to maintain clean lakes and rivers.
- < EPA also provides approximately \$15 million in grants to States for wetlands-related activities.
- < The Department of Interior's Fish and Wildlife Service – with money from the North American Wetlands Conservation Fund [NAWCF] – provides more than \$15 million to States for wetlands conservation, including States bordering the Great Lakes.
- < Each State in the Great Lakes region is now running a surplus in excess of 3 percent of its annual spending.

### Waste, Fraud, Abuse, and Mismanagement

- < It appears EPA is not spending monies for its existing Great Lakes program wisely. The Inspector General, in the May 1999 Semiannual Report, wrote:
  - “The purpose of the [Great Lakes Water Quality Agreement of the mid-1970s] is to restore and maintain the chemical, physical, and biological integrity of the Great Lakes ecosystem . . . The EPA needs to improve and complete its [clean-up plans for the Lakes], which were established as systematic and comprehensive ecosystem approaches to address the Great Lakes.
  - To date, no . . . plans have been fully implemented. Without these plans, there is no assurance that EPA was doing the right, most cost effective, and highest

priority activities needed to protect the Great Lakes.”

## **LANDS LEGACY INITIATIVE**

### **Background**

The President is requesting \$1.4 billion for his Lands Legacy Initiative (also proposed last year). The multi-agency initiative would provide almost \$500 million from the Land and Water Conservation Fund [LWCF] for allowed LWCF uses – primarily land acquisition and State grants for recreational facility construction and reconstruction. The remaining monies would be funded out of major existing programs for spending on other activities, including endangered species related programs; the Forest Service’s Farmland Protection Program and State and Private Forestry program; and several programs at the National Oceanic Atmospheric Administration.

### **Key Points**

- < There is currently a backlog of billions of dollars in unmet needs across the four land management agencies (Fish and Wildlife Service, Bureau of Land Management, Forest Service, and Park Service).
- < Resources should be dedicated to funding unmet current needs – not pursuing expansive new acquisitions.
- < Last year, Congress largely rejected increases associated with this proposal.

### **Waste, Fraud, Abuse, and Mismanagement**

- < The House Interior Appropriations Committee continues to have concerns about the maintenance backlog at the Park Service – the agency with the most serious problems: “The Committee has asked the Service for years to provide an accurate, consistent, updated list of priority backlog maintenance projects . . . The Service claimed that it has a backlog in excess of \$8,000,000,000. The General Accounting Office was asked to review these lists and testified to the Congress that the list was not credible, there were brand new construction projects in with backlog projects, the Service was not using any common definition, and the data was inconsistent and outdated. *This has caused a serious credibility problem with the Congress.*
- < “Although the Department deserves credit for beginning to solve this problem with the 5-year priority backlog construction list, it is still unable to provide the Committee with a total priority backlog list or a reasonable date when that information would be available.” (*The House Interior Subcommittee Report, July 2, 1999*)
- < GAO has often reported that the decentralized nature of the Interior Department has bred

overlap and duplication, leading agencies to devise their own interpretations of congressional and administrative directives. Park Service headquarters staff rarely talk to the regional staff about what is being done with operational funds. Therefore, park superintendents are not required to demonstrate how their actions relate to the goals and spending priorities of the Service. GAO has said: “Decentralization of responsibility, coupled with inadequate guidance and oversight, has resulted in significant differences in how Interior’s various field offices have implemented both legislative mandates and the administration’s goals and objectives.” (GAO, *Major Management Challenges and Program Risks: Department of Interior*, January 1999)

- < One example is the now well-known \$800,000 outhouse. The Park Service spent \$330,000 in design costs, and then built the outhouse at the Delaware Water Gap National Recreational Area with imported wood and \$20,000 cobblestone veneers. But the toilets don’t work in the winter and the facility has running water only 6 months a year. (ABC News, World News Tonight, March 1998)
- < GAO has said: “While the Park Service, BLM, and FWS have estimated that they have maintenance needs [in the billions], Interior officials acknowledge that this estimate does not mean much, since they do not have accurate or reliable information on the extent of the problems. As a result, managing the deferred maintenance needs has eluded Interior. Interior Managers have been aware of the problem for years but have not developed a comprehensive approach to solving it.” (GAO, *Major Management Challenges and Program Risks: Department of Interior*, January 1999)

## **CLIMATE CHANGE INITIATIVE**

### **Background**

The President has submitted, for the third year in a row, a “Climate Change Budget.” It’s components include the International Clean Energy Initiative, \$490 million (up from \$196 million) for a multi-agency initiative which is intended to provide new subsidies for clean energy technology innovation and export; a bioenergy and biobased products initiative that would provide \$289 million (up from \$196 million for research into use of biomass (i.e. plants, trees) into fuels; a new Clean Air Partnership Fund, which would provide \$85 million for a new fund to provide grants to State and local governments for projects that reduce greenhouse gases and pollutants such as soot, smog, and the like; and, the largest component of the climate change budget, the Climate Change Technology Initiative [CCTI], which includes \$4 billion in tax credits and \$1.4 billion in spending. [See the next section on CCTI] The Climate Change budget also includes \$1.7 billion in global warming research.

### **Key Points**

- < For the past 2 years, Congress has blocked the administration from spending any monies on research or other programs that could be interpreted as implementing the international Kyoto Climate Change Treaty which has not been ratified. This entire initiative, most notably, the CCTI, have been and continue to be viewed by many in Congress as an effort to circumvent its will.
- < The Clean Air Partnership Fund was proposed last year. The Congress chose not to fund it.
- < After 20 years and \$1.2 billion, the Department of Energy [DOE] is still seeking funding to make biomass competitive with conventional fuels. The program continues to struggle. It does not warrant an increase. [The program is discussed further in a separate section.]
- < The CCTI component of the budget is largely an amalgam of DOE spending programs that have been funded for 20 years or more at DOE, with no results. [This is further discussed in a separate section.]

## **CLIMATE CHANGE TECHNOLOGY INITIATIVE**

The President's Climate Change Technology Initiative [CCTI] – a part of his "Climate Change Budget," which has been proposed twice before – is a repackaging of mostly existing DOE spending and proposed tax incentives.

On the tax credit side, CCTI proposes \$4 billion in targeted tax incentives over five years which include tax credits for energy efficient homes, fuel-efficient cars, and clean energy such as biomass fuel production (details are provided in a separate section.)

On the spending side, CCTI consists of \$1.432 billion in discretionary spending for energy efficiency and renewables spending — a \$333 million increase, a 30 percent increase over the program's approved levels in fiscal year 2000. Examples of the spending components include: \$255 million for the multi-agency Partnership for a New Generation Vehicle [PNGV] program, a \$30 million increase over fiscal year 2000. PNGV's goal is to develop a 80 mile per gallon, low-emission car by 2004; building efficiency programs will be funded at \$275 million – a 42-percent increase over fiscal year 2000; \$410 million for solar and renewable energy programs – a 32 percent increase over fiscal year 2000 – including wind and photovoltaics; \$233 for research to develop improved coal burning technologies.

## **Key Points**

- < Much of the increased spending under this proposal has been rejected in large measure by the Congress for 2 years in a row.
- < In the past, Congress has voted to block the administration from spending any monies on energy research or other programs that could be interpreted as implementing the international Kyoto Climate Change Treaty. Much of the administration's climate change related spending, including the CCTI has been and continues to be viewed by many in Congress as an effort to circumvent the will of the Congress.
- < Much of the spending is applied research that benefits businesses rather than the public. Federal spending should be limited to long term basic research.
- < Many of these programs have received Federal dollars for 20 years or more with little or no identifiable benefit to the majority of taxpayers.

### **Waste, Fraud, Abuse, and Mismanagement**

- < The General Accounting Office [GAO] has long been critical of the Department of Energy. At a hearing last year, GAO said: "At the core of DOE's weaknesses is its inability to manage its disparate missions within a highly complex organizational structure. In particular, unclear lines of authority throughout DOE have long resulted in weak oversight of contractors and poor accountability for program management, leading us to identify contracting as a 'high risk' activity. For decades, DOE has failed to respond to reports by us, external experts, and its own consultants that highlight these weaknesses. Additionally, DOE has resisted independent regulatory oversight over nuclear and worker safety, perpetuating a perception that it lacks accountability. DOE has also been reluctant to open up key laboratory contracts to new bidders, reducing confidence that it has hired the most capable and responsive contractor." (*GAO testimony before the House Energy and Power subcommittee Commerce Committee*, July 13, 1999)
- < "As far back as 1982, an advisory group recognized the need for organizational change in DOE. In its 1982 report, DOE's Energy Research Advisory Board noted the "layering and fractionation of managerial and research and development responsibilities in DOE on an excessive number of horizontal and vertical levels." (*GAO testimony before the House Energy and Power subcommittee Commerce Committee*, July 13, 1999)
- < The need for the agency has been challenged by the Appropriations Committee: "Reductions in the Department of Energy . . . reflect the Committee's frustrations with an unmanageable bureaucracy whose very existence is insufficiently justified. Created in direct response to the oil crisis of the early 1970s, the DOE has grown into a sprawling complex of loosely related 'business lines.' The current hodgepodge of DOE activities and tasks has little to do with the mission of energy security around which the Department was originally created." (*Report of the House Energy and Water Subcommittee*, July 1999)

## **CLEAN WATER ACTION PLAN**

### **Background**

The President's budget request proposes \$2.4 billion – a \$428 million increase (of which \$151 million would be mandatory over the 2000 levels) – to implement the third year of his Clean Water Action Plan [CWAP]. CWAP is a multi-agency effort, that applies to existing Federal programs involved in improving water pollution and control. The plan was first funded in fiscal year 1999.

Agencies involved are the Department of Agriculture [USDA], the Department of Interior, the National Oceanic and Atmospheric Administration [NOAA], the Environmental Protection Agency [EPA] and the Army Corps of Engineers. Most of the funding is provided to the lead agencies, EPA and the USDA.

USDA is requesting approximately \$1 billion in fiscal year 2001, an increase of \$284 million over the 2000 level. Approximately \$151 of the \$1 billion would be mandatory spending, under the Environmental Quality Incentives Program [EQIP]. Under EQIP [also part of the President's Farm Conservation initiative], farmers receive technical and financial assistance to reduce water pollution caused by pesticides, livestock, and the like. According to USDA's fiscal year 2001 budget request: "The Department will continue to support implementation of the administration's . . . plan primarily through financial and technical assistance to operators of annual feed operations."

Most of EPA's existing programs related to water quality are part of the CWAP budget. The request for this year is \$762 million in discretionary spending.

### **Key Points**

- < There has not been single forum in Congress, either through authorizing or appropriating committees, where the entire CWAP has been debated. Five separate appropriations subcommittees fund programs considered part of the CWAP.
- < The timeline for implementing the 111 key tasks under the plan is 25 years.
- < Information is not yet available in an accessible centrally located public document on how much money was spent by agency on the CWAP in fiscal year 2000.

### **Waste, Fraud, Abuse, and Mismanagement**

- < The Environmental Protection Agency's inspector general has raised serious concerns about EPA, including:

- “Some scientific analysis generated by EPA and contract laboratories is of questionable quality and should not be used to support environmental decisions.”
- “. . . potential data fraud involved sample analyses for several areas including: Superfund; Resource Conservation and Recovery Act; National Pollutant Discharge Elimination System; air toxics; and pesticide programs.”
- “As a result of data quality problems . . . EPA is spending significant resources to determine the impact fraudulent analyses have had on environmental and enforcement decisions.” (EPA Inspector General letter to Chairman Kasich and Majority Leader Arney, December 1999)